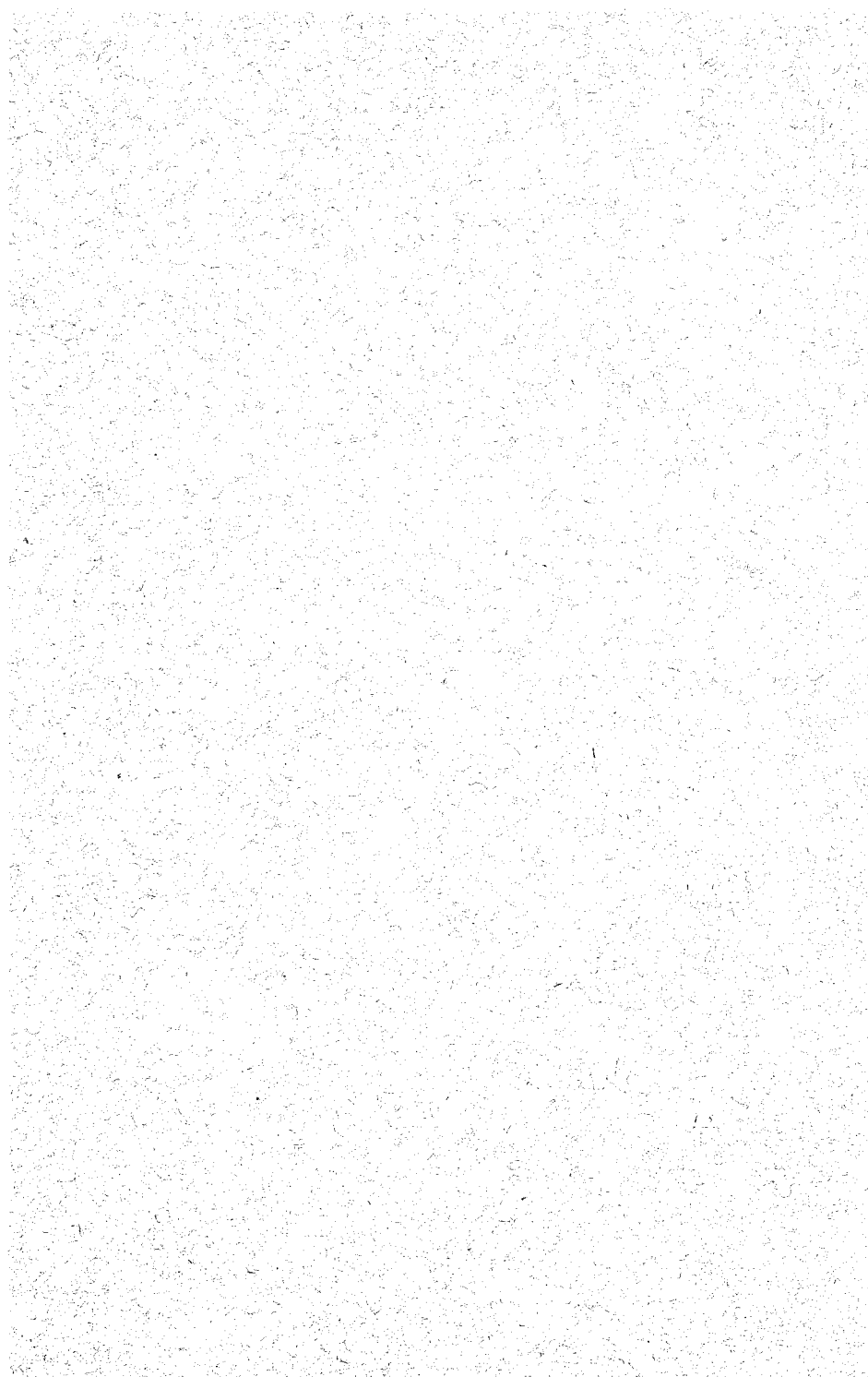


REPORT
OF THE
GOVERNOR AND COMMITTEE
OF THE
HUDSON'S BAY COMPANY,
TO BE
LAI D BEFORE THE SHAREHOLDERS
ON WEDNESDAY, JULY 22ND, 1891.

LONDON:
PRINTERS: SIR JOSEPH CAUSTON AND SONS,
9, EASTCHEAP, E.C., AND SOUTHWARK STREET, S.E.

1891.



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DIRECTORS.



Governor.

SIR DONALD A. SMITH, K.C.M.G.

Deputy-Governor.

VISCOUNT ANSON.

Committee.

Sir THOMAS R. EDRIDGE.

SANDFORD FLEMING, Esquire, C.M.G.

RUSSELL STEPHENSON, Esquire.

WALTER VAUGHAN MORGAN, Esquire.

THOMAS RANNIE GRANT, Esquire.

THOMAS SKINNER, Esquire.

JOHN COLES, Esquire.

HUDSON'S BAY COMPANY.

A GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay will be held at the City Terminus Hotel, Cannon Street, on Wednesday the 22nd instant, at two o'clock p.m., when a Report from the Governor and Committee will be laid before the Shareholders, and a Dividend declared.

The Transfer Books of the Company will be closed on the 6th, and reopened on the 24th instant.

By order of the Governor, Deputy-Governor and Committee of the said Company,

W. ARMIT,

Secretary.

HUDSON'S BAY HOUSE,
LONDON, *July 2nd*, 1891.

REPORT.

THE Governor and Committee have now to submit to the Proprietors the Annual Accounts, which show a profit of £16,496 13s. 2d., to which must be added £39,864 0s. 5d. brought forward from last year, making a total of £56,360 13s. 7d. Out of this sum they recommend a dividend of 6s. 6d. per share, equal to $2\frac{1}{2}$ per cent., which will absorb £32,500, leaving the sum of £23,860 13s. 7d. to be carried forward.

About one-sixth of the Furs included in the present Accounts were on hand and had to be sold in March, 1890, at the very low prices of that year. Most of the Furs brought to market this spring realised better prices than in March, 1890; but in Martens, one of the most important articles in which the Company deals, there was unfortunately a further decline of $7\frac{1}{2}$ per cent., following on a fall of 30 per cent. in 1890. This excessively low price—the lowest ever known—has seriously affected the year's profits.

The "Prince Rupert" should, in ordinary course, have arrived from York factory last autumn, but encountering heavy ice in Hudson's Straits she sustained some damage, and the Captain finding it impossible to pursue his voyage put back to Charlton Island in Hudson's Bay, where the ship was beached for the winter. The Furs and other articles forming the cargo of the "Prince Rupert" have been taken into the Accounts at a moderate valuation.

The great scarcity of the local supply of food, on which the Indians have to rely for a livelihood, to which reference was made in the Report issued last December, continued with increased severity, and has had a disastrous effect on the result of Outfit 1889. It necessitated an unusually large expenditure of imported provisions, thereby causing a heavy increase in the cost of conducting the business, and also led to a material

falling off in the amount of Furs brought in by the Indians, who had to devote their whole energy to preserve themselves and their families from starvation. Added to this, general trade in the settled districts during Outfit 1889 (namely, for the year ending 31st May, 1890) was adversely affected by a poor wheat crop, and a consequent scarcity of money.

In consequence of the great changes which had taken place throughout the country formerly held solely by the Company, the Board, four years back, instituted a system of closer inspection and more rigid scrutiny into the circumstances affecting the trade of the several districts and posts. This system is being steadily pursued, but is necessarily slow in its operation, as the trade extends over a vast territory not accessible by the ordinary modes of travel. From its effect the Board look for an improvement in the results of the business.

The Governor and Committee have appointed Mr. C. C. CHIPMAN to the position of Trade Commissioner, in succession to Mr. WRIGLEY, resigned. Mr. CHIPMAN has spent some weeks conferring with the Board, and has recently left to take up his duties in Canada. He is instructed to visit the more important points in the several departments, and to report fully to the Board, the better to enable them to take such further measures as may be necessary for bringing the administration of the business more into harmony with the ever-changing circumstances and the greatly increased competition with which it has now to contend. The Board have confidence that the new Trade Commissioner will be cordially supported by all the Company's Officers, who will recognise that every effort must be made to reduce expenses to the lowest possible point consistent with the efficient carrying on of the trade.

It is satisfactory to state that no loss fell upon the Company's Marine Insurance Account in the past year; and the profits on the Fire Insurance Account have, over a series of years, grown to £19,543, which amount now appears separately in the balance sheet.

The Land Account submitted shows the cash receipts and disbursements for the year ending 31st March, 1891. The receipts amount to £35,217 13s., as compared with £37,071 8s. for the year ending 31st March, 1890; while the charges show a reduction in the items of taxes, legal, office and miscellaneous expenses; but a payment of £1,484 4s. 8d. to the Government on account of Surveys, in terms of the Deed of Surrender, brings the total charges to £18,354 13s. 8d., as against £18,026 16s. 1d. last year.

The sales of the Company's Farm Lands and Town Lots during the past year have been as follows:—

Farm Lands—17,142 acres	..	..	..	\$100,677
(averaging \$5.87 per acre.)				
Town Lots—130 lots	..	'..	..	\$104,620
				<hr/>
				\$205,297

as compared with \$242,761 for the year ending 31st March, 1890.

The partial failure of the Crops in 1889, already alluded to, caused a serious check to the sales of the Company's Lands. In 1890 there was an improvement in the harvest, and the present season's growing crops are well advanced, and harvest prospects decidedly encouraging.

The Land sales in April and May, since the Accounts were closed, amount to \$37,900, as compared with \$25,820 for the same period last year.

Acting on the instructions of the Proprietors, the Board have used every effort to forward the completion of the proposed Supplemental Charter. It is still before the Crown authorities, and will in due course be submitted to the Shareholders for their consideration.

On behalf of the Committee,

DONALD A. SMITH,

Governor.

(1.) TRADING ACCOUNT.

Exhibiting the Profit and Loss results during Outfit 1889; namely, from 1st June, 1889, to 31st May, 1890.

Dr.

Cr.

	£	s.	d.	£	s.	d.
To Inventories 1st June, 1889, viz.—						
General Goods	£363,865	18	3			
Advances from last Outfit ..	38,310	17	7			
Ships and Steamers ..	42,527	8	2			
Trading Establishments ..	57,202	16	9			
Balances due by—						
Customers	85,100	8	3			
Clerks and						
Servants	5,773	4	2			
	90,873	12	5			
	592,780	13	2			
	19,231	12	6			
Cash at Trading Stations	612,012	5	8			
Less Balances due to—						
Customers	9,850	14	6			
Clerks and						
Servants	13,330	10	9			
	23,181	5	3			
Goods, Provisions, and Stores purchased in England, supplied for Outfit 1889 ..	588,831	0	5			
Amount written off as depreciated value of Ships and balance of Ships' Accounts ..	109,216	5	10			
Payments at Winnipeg (from proceeds of Bills drawn on London, and cash from Land Department) for Goods purchased in Canada and the United States, Customs Duties and Inward Freight ..	2,674	17	10			
	95,421	19	11			
By Proceeds of Furs and other Imports into Great Britain, the Returns of this Outfit, after deducting Freight, Dock Charges, Cartage, Fire Insurance, &c.						
Furs on hand as per valuation						
Other credits incidental to carrying on the Trade of Outfit 1889						
Inventories 31st May, 1890, viz.—						
General Goods	324,528	6	11			
Advances to next Outfit	41,837	0	11			
Ships and Steamers	38,628	18	8			
Trading Establishments	50,016	4	5			
Balances due by—						
Customers	71,603	10	5			
Clerks and						
Servants	6,124	18	6			
	77,728	8	11			
	532,738	19	10			
	27,170	7	7			
Cash at Trading Stations	559,909	7	5			
Less Balances due to—						
Customers	7,843	4	5			
Clerks and						
Servants	12,910	3	1			
	20,753	7	6			
	539,155	19	11			

"	Other debits incidental to carrying on the trade of Outfit 1889..	..	..	..	15,035	6	5
"	EXPENSES INCURRED IN LONDON, 1st June, 1889, to 31st May, 1890, viz. :—						
	Governor and Committee	2,400	0	0			
	Salaries of Secretary and other Officers ..	3,285	0	0			
	Warehouse Expenses—preparing and selling Furs, including Wages						
	Labourers and Sundry Charges..	3,220	7	6			
	Rent and Taxes of Offices in Leadenhall Street, and Warehouse in Lime Street ..	3,987	11	10			
	Miscellaneous Expenses, including Stationery, Printing, &c. ..	1,104	8	1			
					13,997	7	5
"	Salary to Local Officer ..	..	..	..	1,000	0	0
"	Pensions in London and abroad ..	..	..	..	750	0	0
"	Balance, being Profit on Outfit 1889, carried to Account No. 3 ..	..	..	..	13,284	12	1
					£840,211	9	11

£840,211 9 11

(2.) LAND ACCOUNT.

Gr.

	£	s.	d.
To Charges on Land in Manitoba and the North-West Territory to date:—			
Amount paid to Government on account of Surveys	1,484	4	8
Municipal and other Taxes	9,845	18	7
Repairs & Improvements	172	8	1
Annual charge for depreciation of Buildings	2,366	2	2
Salaries	1,492	5	1
Surveyors inspecting and reporting on Lands	1,100	9	2
Travelling and Office Expenses	735	5	3
Legal Expenses	260	18	8
Printing, Advertising and Miscellaneous Expenses	350	0	0
Charges on Land in British Columbia for Taxes and Miscellaneous Expenses to date	547	2	0
Balance transferred to Profit and Loss Account (No. 3)	16,862	19	4
	£35,217	13	0
By Cash received at Winnipeg in respect of Sales of Land as follows:—			
Winnipeg Town Lots	4,297	17	10
Portage la Prairie	24	13	2
Rat Portage	1,296	14	3
Edmonton	169	13	5
Fort William	983	19	6
Fort Qu'Appelle	38	1	10
Elphinstone	6	3	3
Rosemount	68	5	10
Millwood	17	2	6
Nepigon	3	8	6
Farming Lands in Manitoba and the North West Territory	14,502	12	4
Interest on unpaid Instalments and Rents	21,408	12	5
	6,779	6	9
Cash received at Victoria, in respect of Sales of Land in British Columbia:—			
Instalments on Sales	5,667	1	7
Interest on unpaid Instalments and Rents	1,362	12	3
	7,029	13	10
	£35,217	13	0

(3.) PROFIT AND LOSS.

Dr.

1st June, 1890, to 31st May, 1891.

Cr.

	£	s.	d.		£	s.	d.
To Commissioned Officers for Appropriation under Guarantee for Outfit 1889	19,600	0	0	By Profit on Fur Trade brought to credit this year as per Account No. 1	13,284	12	1
" Loss on realisation of outstanding Accounts, Outfit 1888	1,523	10	11	" Profit from Underwriting Account	1,692	7	5
" Balance of Interest on Fur Trade Account ..	2,464	2	10	" Balance transferred from Land Account No. 2	16,862	19	4
" Interest on Officers' and Servants' Deposits	1,821	15	1	" Dividends on Investments and Interest ..	14,170	9	2
" Income Tax	1,415	16	9				
" Salary to Local Officer	500	0	0				
" Payment to the Bishop of Rupert's Land, under agreement with the Company, and order of the Court of Chancery, dated December, 1849	300	0	0				
" Miscellaneous Expenses	1,888	9	3				
" Balance carried to General Profit and Loss Account (No. 4), being Net Profits ..	16,496	13	2				
	£46,010	8	0		£46,010	8	0

HUDSON'S BAY COMPANY.

(4.) GENERAL PROFIT AND LOSS ACCOUNT.

Dr.		31st May, 1891.		Cr.	
		£	s. d.	£	s. d.
To Dividend at 14/- per Share, declared 15th July, 1890	.. ..	70,000	0 0	By Balance 31st May, 1890, brought forward	.. 109,864 0 5
„ Balance carried down, being Undivided Profits at 31st May, 1891	.. ..	56,360	13 7	„ Profit for year ending 31st May, 1891, as per Account No. 3	.. .. 16,496 13 2
		£126,360 13 7			
				By Balance brought down	.. .. £56,360 13 7

(5.) BALANCE-SHEET.
31st May, 1891.

Dr.

Cr.

	£	s.	d.	£	s.	d.
To Capital— 100,000 Shares of £20 each 2,000,000 0 0 <i>Less</i> return to Proprietors of £7 per Share .. 700,000 0 0						
				1,300,000	0	0
„ Amount due to Commissioned Officers and Servants on their Deposits in London..	83,362	8	11			
„ Amount due to Clerks and Servants at Trading Stations, 31st May, 1890..	12,910	3	1			
„ Amount due to Customers, 31st May, 1890..	7,843	4	5			
„ Unpaid Dividends, and other Balances (exclusive of amount due in respect of Goods in course of shipment on 31st May, 1891, not included in assets <i>per contra</i>) ..	4,488	6	3			
				108,604	2	8
„ Marine Insurance Fund ..				50,000	0	0
„ Fur Trade Fire Insurance Fund ..				19,543	14	6
„ Undivided Profits, as per Account No. 4 ..				56,360	13	7
				£1,534,508	10	9
By Cash in hand and on Deposit in London ..				168,444	15	9
„ Cash at Trading Stations, 31st May, 1890 ..				27,170	7	7
„ Sundry Investments ..				75,233	5	5
„ Buildings in Winnipeg and North West Territory ..				56,463	16	5
„ Amount due by Commissioned Officers ..				131,697	1	10
„ Amount invested in the Fur Trade (exclusive of Goods in course of Shipment), viz. Valuation of Trading Goods, Provisions, Stores, &c., as per Inventory 31st May, 1890 ..				455,010	10	11
Amount due as per Inventory 31st May 1890, by— Customers £71,603 10 5 Clerks and Servants ..				6,124	18	6
				77,728	8	11
				532,738	19	10
Advances in London for carrying on the Trade, subsequent to 31st May, 1890				252,594	18	3
Ocean Ships and Steamers employed in the Trade ..				11,342	18	7
„ Balance represented by the remaining Property of the Company ..				796,676	16	8
				400,214	7	5
				£1,534,508	10	9

Examined and found to be in due accordance with the Books, Accounts, and Vouchers of the Company.
5, Moorgate Street, London,
22nd June, 1891.
THOMAS A. WELTON
(WELTON, JONES & Co.)



